



Department of General Services  
Office of Small and Minority Business  
1531 I Street, Second Floor  
Sacramento, CA 95814-2016  
(916) 322-5060 24 Hour OSMB Telephone Information System  
(916) 323-5478 Receptionist  
INTERNET: <http://www.dgs.ca.gov/osmb>

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# **Annual Report**

*Minority, Women, and Disabled  
Veteran Business Enterprise Participation*

## **Activity Highlights Fiscal Year 1996 - 1997**

State of California  
*Pete Wilson, Governor*

Department of General Services  
*Peter G. Stamison, Director*

Prepared by  
*Office of Small and Minority Business*

Annual Report 1996-1997  
Minority, Women, and Disabled Veteran  
Business Enterprise Participation

Department of General Services

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## **Chapter I**

### **OVERVIEW**

## Minority, Women, and Disabled Veteran Business Enterprise Participation Program

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### Purpose

Encourages participation of minority business enterprise (MBE), women business enterprise (WBE), and disabled veteran business enterprise (DVBE) in the state contracting process.

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### Description

California established statewide contracting participation goals of at least fifteen percent for MBE, five percent for WBE, and three percent for DVBE. Awarding departments have the discretion to include the program goals within individual contracts.

For each applicable contract, prime contractors must achieve the minimum Minority, Women, and Disabled Veteran Business Enterprise (M/W/DVBE) participation goals or demonstrate that they made a “good faith effort” to achieve participation. The law’s intent is to obtain M/W/DVBE prime or subcontractor-level participation.

Should a bid be submitted with less than minimum participation, a prime contractor must make and document that they made a “good faith effort” to obtain participation.

The five legally defined “good faith effort” steps are:

- Contact was made with the awarding department to identify M/W/DVBEs.
- Contact was made with other state and federal agencies, and with local M/W/DVBE organizations, to identify M/W/DVBEs.
- Advertising was published in trade papers and papers focusing on M/W/DVBEs, unless time limits imposed by the awarding department do not permit that advertising.
- Invitations to bid were submitted to potential M/W/DVBE contractors.
- Available M/W/DVBEs were considered.

Effective January 1, 1995, M/W/DVBE Utilization Plans were approved as an alternative for meeting M/W/DVBE Participation Program requirements. The plans apply when awarding contracts for materials, supplies, or equipment, including electronic data processing and telecommunications, goods, and services. The M/W/DVBE Utilization Plan Program is administrated by the Department of General Services, Procurement Division.

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## Minority, Women, and Disabled Veteran Business Enterprise Participation Program, *continued*

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### Reporting Requirement

State agencies report their fiscal year participation data and program plans annually to the Governor and the Legislature.

- Goals are expressed as a percent of the Department of General Services' contract dollars.
  - M/W/DVBE participation data are reported by total contract dollars and for contracts under \$25,000.
  - Additional reporting categories include commodities, professional services, and construction.
  - Factors leading to any goal deficiencies are discussed.
  - Future plans for achieving full M/W/DVBE participation goals in the coming year are discussed.
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### Authority

Public Contract Code, Part 2, Division 2, Chapter 1, Article 1.5, Section 10115 et seq., California Military and Veterans Code, Article 6, Section 999 et seq., and California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 10.5, 1896.60 - 1896.67, 1896.90 - 1896.98.

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### Internet Address

<http://www.dgs.ca.gov/osmb>

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## **Chapter II**

### **PROGRAM HIGHLIGHTS**

## Program Highlights

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### Introduction

During 1996-97 the Department of General Services (DGS) continued to promote Minority, Women, and Disabled Veteran Business Enterprise (M/W/DVBE) participation goals.

The DGS total contracting was \$591 million in 1996-97. Overall M/W/DVBE participation totaled \$125 million, or 21 percent. For 1996-97 DGS achieved an 11.4 percent MBE participation totaling \$67.5 million. The WBE participation totaled \$46.5 million for 7.9 percent of DGS contract dollars exceeding the five percent goal. The DVBE participation totaled \$11.5 million representing 1.9 percent of the DGS total.

The 1996-97 contracts under \$25,000 M/W/DVBE awards totaled \$10.5 million or 22 percent of the DGS total contract awards under \$25,000. MBE participation totaled 11.5 percent; WBE, 10.6 percent exceeding the 5 percent goal; and DVBE, 0.4 percent in 1996-97.

The DGS promotes contract participation levels by focusing M/W/DVBE efforts in those activities and resources which have proven effective. The department's M/W/DVBE participation was achieved by targeting business community needs, educating staff, establishing effective contracting policies, and improving internal accountability and contract monitoring. Together these efforts encourage greater M/W/DVBE participation and decrease good faith effort documentation in the department's contracting.

Partnerships and extensive outreach efforts have assisted and informed the business community of DGS contracting opportunities. Pre-bid conferences contribute to contractor's and vendor's increased familiarity with the state contracting process. The director, deputy directors, and office chiefs participate in business-sponsored community events to exchange information on state contracting laws. The DGS sponsors and participates in business promotion fairs to advise contractors of state contracting opportunities. Office exchange information with, and survey, clients to improve programs. Also, DGS networks with business development centers and other state agency M/W/DVBE contracting staff to collect, establish, and distribute lists of M/W/DVBE firms to potential prime bidders. The Office of Small and Minority Business (OSMB) offers workshops to the business community regarding information on the M/W/DVBE Participation Program.

In 1996-97, the California State Contracting Resource Packet (developed the previous year in a team effort with the Department of Corrections) became available on the Internet. This provides prime contractors with immediate access to information regarding the M/W/DVBE Participation Program. The "Resource Packet" provides educational and contract bidding guidance information towards the goal of more accurate and relevant program responses and bid solicitation package documentation. This project addresses numerous business plan objectives including improved client satisfaction.

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## Program Highlights, *continued*

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### Introduction, continued

The OSMB certifies DVBE's for program eligibility. During 1996-97, the OSMB continued to enhance the Business Information System (BIS) database developed and installed in 1995-96. BIS improves the quality and efficiency of certification services, allowing for more accurate and relevant management reports and providing certification information to the Internet. This project addresses numerous business plan objectives including improved client satisfaction. One of OSMB's performance measures evaluates the average number of certification working days, i.e. turnaround time for responding to certification applications. During 1996-97, the OSMB continued to achieve an average DVBE certification turnaround time under ten working days.

The California State Contracts Register (CSCR) provides daily updated state contract information to the business community through the Internet. Electronic distribution of bid solicitation packages by the CSCR became available for contractors during 1996-97. Additional system enhancements introduced in 1996-97 include advertisements by local government in the CSCR and the electronic STD. 812 Small Business and/or Disabled Veteran Business Enterprise Certification application. The OSMB publishes via the Internet a listing of certified DVBEs. During 1996-97, the OSMB enhanced this service by offering a query report capability for marketing and networking.

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### Future Plans

The DGS is committed to meeting M/W/DVBE goals, where possible, in all contracts. The department continues to develop department-wide guidelines and implement uniform contracting practices. Offices maintain ongoing M/W/DVBE training for staff who award and administer the department's contracts. Pre-bid conferences offer potential bidders focused assistance and information on M/W/DVBE requirements, and preview of contract compliance documentation. The DGS and the OSMB sponsor and host the Business Expansion Council to inform state contracting/purchasing officials about state contracting issues including M/W/DVBE Participation Program issues. The DGS also sponsors the State Contracting Advisory Network (SCAN). The department invited other state agencies to form this committee and co-author the State Contracting Manual (SCM) which serves as a guide to state contracting and the inclusion of relevant programs such as the M/W/DVBE Participation Program.

The department will continue its efforts to attain M/W/DVBE goals through evaluation and updating traditional methods and implementation of new technology. In 1997-98, the OSMB will offer State Agency Training classes for an indepth education on the contracting programs including the M/W/DVBE Participation Program. Additional resources will be available to aid the business community and state contracting/purchasing officials including the publication of a state contracting guide and a newsletter. Both of these will be published by the OSMB and will be available on the Internet.

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**Program Highlights, *continued***

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<b>Future Plans, continued</b>	The OSMB will continue outreach and education efforts by developing and participating in conference presentations. The OSMB will continue to enhance its interactive home page to include electronic submittal of certification applications and reviews. The CSCR will initiate public advertising on the Internet by prime bidders and subcontractors for networking.
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**Chapter III**  
**STATISTICS**

# DEPARTMENT OF GENERAL SERVICES

FISCAL YEAR 1996 - 1997

## MINORITY, WOMEN, AND DISABLED VETERAN BUSINESS ENTERPRISE

### ALL CONTRACTS

OFFICE	TOTAL CONTRACT									
	DOLLARS		MINORITY		WOMEN		DISABLED VET		NonMWDVBE	
	Contract Dollars	% of DGS	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office
Admin Hearings	\$2,150,950	0.4%	\$429,553	20.0%	\$378,680	17.6%	\$18,980	0.9%	\$1,323,737	61.5%
Buildings & Grounds	\$7,943,713	1.3%	\$380,867	4.8%	\$193,080	2.4%	\$78,008	1.0%	\$7,291,758	91.8%
Energy Assessment	\$2,490,047	0.4%	\$464,250	18.6%	\$536,507	21.5%	\$34,600	1.4%	\$1,454,690	58.4%
Executive Office	\$447,665	0.1%	\$11,072	2.5%	\$654	0.1%	\$200	0.0%	\$435,739	97.3%
Fiscal Services	\$2,955,294	0.5%	\$7,242	0.2%	\$9,865	0.3%	\$86	0.0%	\$2,938,101	99.4%
Fleet Administration	\$6,755,813	1.1%	\$945,938	14.0%	\$626,953	9.3%	\$21,621	0.3%	\$5,161,301	76.4%
Human Resources	\$166,239	0.0%	\$10,927	6.6%	\$25,213	15.2%	\$0	0.0%	\$130,099	78.3%
Information Services	\$3,753,647	0.6%	\$946,245	25.2%	\$434,119	11.6%	\$3,670	0.1%	\$2,369,613	63.1%
Legal Services	\$140,619	0.0%	\$0	0.0%	\$199	0.1%	\$0	0.0%	\$140,420	99.9%
Procurement	\$439,633,287	74.3%	\$40,622,362	9.2%	\$34,974,196	8.0%	\$8,357,848	1.9%	\$355,678,881	80.9%
Project Devel & Mgmt	\$60,947,785	10.3%	\$17,558,308	28.8%	\$3,447,101	5.7%	\$1,971,390	3.2%	\$37,970,986	62.3%
Public School Construction	\$266,210	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$266,210	100%
Real Estate	\$21,104,444	3.6%	\$1,943,179	9.2%	\$1,570,895	7.4%	\$338,723	1.6%	\$17,251,647	81.7%
Risk & Insurance Mgmt	\$746,971	0.1%	\$52,254	7.0%	\$49,615	6.6%	\$10,000	1.3%	\$635,102	85.0%
Small Business	\$129,214	0.0%	\$3,523	2.7%	\$7,771	6.0%	\$1,199	0.9%	\$116,721	90.3%
State Architect	\$28,089,611	4.7%	\$2,978,256	10.6%	\$3,013,310	10.7%	\$591,133	2.1%	\$21,506,912	76.6%
State Printing	\$8,251,825	1.4%	\$173,610	2.1%	\$1,077,688	13.1%	\$7,213	0.1%	\$6,993,314	84.7%
Telecommunications	\$5,523,169	0.9%	\$987,863	17.9%	\$174,067	3.2%	\$1,305	0.0%	\$4,359,934	78.9%
				% of DGS:		% of DGS:		% of DGS:		% of DGS:
Grand Total:	\$591,496,502		\$67,515,448	11.4%	\$46,519,913	7.9%	\$11,435,976	1.9%	\$466,025,165	78.8%



# DEPARTMENT OF GENERAL SERVICES

FISCAL YEAR 1996 - 1997

## MINORITY, WOMEN, AND DISABLED VETERAN BUSINESS ENTERPRISE

### CONTRACTS UNDER \$25,000

	OFFICE TOTAL		MINORITY		WOMEN		DISABLED VET		NonMWDVBE	
	Contract Dollars	% of DGS	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office	Amount Awarded To:	% of Office
Admin Hearings	\$1,108,954	2.4%	\$99,812	9.0%	\$17,920	1.6%	\$4,198	0.4%	\$987,024	89.0%
Buildings & Grounds	\$890,534	1.9%	\$9,397	1.1%	\$61,334	6.9%	\$2,600	0.3%	\$817,203	91.8%
Energy Assessment	\$80,975	0.2%	\$8,586	10.6%	\$2,873	3.5%	\$0	0.0%	\$69,516	85.8%
Executive Office	\$200,364	0.4%	\$11,072	5.5%	\$654	0.3%	\$200	0.1%	\$188,438	94.0%
Fiscal Services	\$645,479	1.4%	\$7,242	1.1%	\$9,865	1.5%	\$86	0.0%	\$628,286	97.3%
Fleet Administration	\$6,755,813	14.4%	\$945,938	14.0%	\$626,953	9.3%	\$21,621	0.3%	\$5,161,301	76.4%
Human Resources	\$87,085	0.2%	\$10,927	12.5%	\$25,213	29.0%	\$0	0.0%	\$50,945	58.5%
Information Services	\$3,668,914	7.8%	\$946,245	25.8%	\$434,119	11.8%	\$3,670	0.1%	\$2,284,880	62.3%
Legal Services	\$140,619	0.3%	\$0	0.0%	\$199	0.1%	\$0	0.0%	\$140,420	99.9%
Procurement	\$24,993,302	53.4%	\$2,550,685	10.2%	\$2,806,992	11.2%	\$80,470	0.3%	\$19,555,155	78.2%
Project Devel & Mgmt	\$2,090,134	4.5%	\$579,398	27.7%	\$179,395	8.6%	\$67,600	3.2%	\$1,263,741	60.5%
Public School Construction	\$59,905	0.1%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$59,905	100%
Real Estate	\$426,818	0.9%	\$6,971	1.6%	\$36,704	8.6%	\$1,550	0.4%	\$381,593	89.4%
Risk & Insurance Mgmt	\$358,891	0.8%	\$47,263	13.2%	\$40,471	11.3%	\$10,000	2.8%	\$261,157	72.8%
Small Business	\$85,213	0.2%	\$3,523	4.1%	\$7,771	9.1%	\$1,199	1.4%	\$72,720	85.3%
State Architect	\$0	0.0%	\$0	#DIV/0!	\$0	#DIV/0!	\$0	#DIV/0!	\$0	#DIV/0!
State Printing	\$5,062,931	10.8%	\$145,189	2.9%	\$728,366	14.4%	\$7,213	0.1%	\$4,182,163	82.6%
Telecommunications	\$137,848	0.3%	\$4,665	3.4%	\$2,000	1.5%	\$1,305	0.9%	\$129,878	94.2%
<b>Grand Total:</b>	<b>\$46,793,779</b>	<b>100%</b>	<b>\$5,376,912</b>	<b>11.5%</b>	<b>\$4,980,829</b>	<b>10.6%</b>	<b>\$201,712</b>	<b>0.4%</b>	<b>\$36,234,326</b>	<b>77.4%</b>

## MINORITY, WOMEN, AND DISABLED VETERAN BUSINESS ENTERPRISES

	COMMODITIES				PROFESSIONAL SERVICES		CONSTRUCTION		Row Totals	
	Standard		Utilization Plan							
	Dollars	% of DGS	Dollars	% of DGS	Dollars	% of DGS	Dollars	% of DGS	Dollars	% of DGS
Black	\$107,371	0.3%	\$0	0.0%	\$56,249	0.6%	\$0	0.0%	\$163,620	0.3%
Hispanic	\$1,405,638	3.9%	\$0	0.0%	\$668,375	6.7%	\$1,800	0.2%	\$2,075,813	4.4%
Native American	\$50,252	0.1%	\$0	0.0%	\$15,342	0.2%	\$0	0.0%	\$65,594	0.1%
Pacific - Asian	\$1,896,950	5.3%	\$0	0.0%	\$826,817	8.2%	\$0	0.0%	\$2,723,767	5.8%
Asian - Indian	\$165,946	0.5%	\$0	0.0%	\$37,558	0.4%	\$0	0.0%	\$203,504	0.4%
Minority <i>not designated</i>	\$18,865	0.1%	\$0	0.0%	\$107,553	1.1%	\$0	0.0%	\$126,418	0.3%
Total Minority	\$3,645,022	10.2%	\$18,197	17.2%	\$1,711,894	17.1%	\$1,800	0.2%	\$5,376,912	11.5%
Women	\$3,860,110	10.8%	\$9,603	9.1%	\$1,039,398	10.4%	\$71,718	7.6%	\$4,980,829	10.6%
Disabled Veteran	\$88,255	0.2%	\$3,178	3.0%	\$106,129	1.1%	\$4,150	0.4%	\$201,712	0.4%
Non M/W/DVBE	\$28,116,433	78.7%	\$75,057	70.8%	\$7,179,473	71.5%	\$863,362	91.7%	\$36,234,326	77.4%
Subtotal by Column	\$35,709,820	76%	\$106,035	0%	\$10,036,893	21%	\$941,030	2%		
TOTAL all Contracts	\$46,793,779									

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DEPARTMENT OF GENERAL SERVICES

MINORITY, WOMEN, AND DISABLED VETERAN BUSINESS ENTERPRISES

1996-1997

UTILIZATION PLAN CONTRACTS TOTALS

	OFFICE TOTAL	MINORITY	WOMEN	DIABLED VET	NonMWDVBE
	Contract Dollars	Contract Dollars	Contract Dollars	Contract Dollars	Contract Dollars
Procurement Division	\$10,667,651	\$1,602,575	\$537,727	\$320,053	\$8,207,296
	\$10,667,651	\$1,602,575	\$537,727	\$320,053	\$8,207,296

Total Utilization Plan Contracts:	\$10,667,651
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